

## STATE OF CALIFORNIA

## Budget Change Proposal - Cover Sheet

DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 3340	Department California Conservation Corps	Priority No. 2
Budget Request Name 3340-301-BCP-BR-2016-A1		Program <b>2360 – TRAINING AND WORK PROJECTS</b>	Subprogram <b>2360010 – BASE/FIRE CENTERS</b>

## Budget Request Description

Minimum Wage Funding Increase &amp; Technical Adjustment to General Fund

## Budget Request Summary

The California Conservation Corps (CCC) is requesting \$1.381 million (\$394,000 General Fund, \$494,000 Collins Dugan Reimbursement Account, \$396,000 State Responsibility Fire Area Protection Fund, \$97,000 Proposition 39) in FY 2016-17 and ongoing to fully fund the corpsmembers' minimum wage increase of \$1.00 per hour effective January 1, 2016. In addition, CCC is requesting a technical adjustment to reduce its 2016-17 General Fund appropriation by \$2.5 million, to correct the one-time cost adjustments to 2016-17 Governor's Proposed Budget.


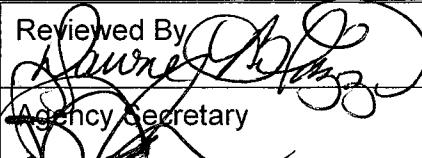


Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date

For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

☐ FSR ☐ SPR Project No. Date:

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No

*Attach comments of affected department, signed and dated by the department director or designee.*

Prepared By 	Date 3.24.16	Reviewed By 	Date 3/24/16
Department Director 	Date 3/24/2016	Agency Secretary 	Date 3/28/16

## Department of Finance Use Only

Additional Review <input type="checkbox"/> Capital Outlay <input type="checkbox"/> ITGU <input type="checkbox"/> FSCU <input type="checkbox"/> OSAE <input type="checkbox"/> CALSTARS <input type="checkbox"/> Dept. of Technology			
BCP Type: <input type="checkbox"/> Policy <input type="checkbox"/> Workload Budget per Government Code 13308.05			
PPBA	Original Signed by Amanda Martin	Date submitted to the Legislature 4-1-16	

## Analysis of Problem

### A. Budget Request Summary

The California Conservation Corps (CCC) is requesting \$1.381 million (\$394,000 General Fund, \$494,000 Collins Dugan Reimbursement Account, \$396,000 State Responsibility Fire Area Protection Fund, \$97,000 Proposition 39) in FY 2016-17 and ongoing to fully fund the corpsmembers' minimum wage increase of \$1.00 per hour effective January 1, 2016. In addition, CCC is requesting a technical adjustment to reduce its 2016-17 General Fund appropriation by \$2.5 million, to correct the one-time cost adjustments to 2016-17 Governor's Proposed Budget.

### B. Background/History

Modeled after the Civilian Conservation Corps of the 1930's, the CCC is comprised of young adults ages 18 to 25 (and veterans to age 29) working on conservation projects on public lands in cities and rural areas. Through their service, corpsmembers gain work experience, advance their education and learn about careers while helping to enhance California's natural resources and its communities. Corpsmembers complete over 2,000 conservation projects annually, ranging from restoring fish and wildlife habitat to installing energy and water efficient improvements, building trails, and improving forest health. As one of the state's premier emergency work forces, the CCC responds to fires, floods, pest infestations, earthquakes and oil spills.

Corpsmembers are selected for participation without regard to their prior employment or educational experience and come from diverse backgrounds. Many have limited work experience and about 30 percent do not have high school diplomas. Over 120,000 young adults have participated in the CCC since it was founded in 1976. The CCC anticipates serving approximately 1,477 corpsmember full-time equivalent (FTE) in FY 2016-17 at 25 centers throughout the state.

The minimum wage for corpsmembers was increased by one dollar per hour effective July 1, 2014, and by another dollar per hour effective January 1, 2016. Effective July 1, 2015, the CCC was approved additional expenditure authority to address the cost impact for FY 2015-16 via the Governor's Budget process. However, CCC will need additional expenditure authority to address the full-year cost impact for FY 2016-17 and ongoing.

### C. State Level Considerations

The CCC provides a cost-effective option for State, Federal and Local Agencies to contract for services to complete conservation related work projects. Examples of these services include fire fuel load reduction and mitigation, levee repair, park maintenance, coastal fisheries protection, trail building, oil spill cleanup, energy conservation, and wildlife habitat restoration.

**Workforce Development Program.** The CCC is a direct service delivery program that provides jobs, education, and life skills training to young adults who typically do not have high school diplomas, and have limited job skills and experience and develops them into employable young adults who can be hired by the State's employers. This work-learn approach is accomplished through natural and energy resource conservation projects across the State.

**Part of State's Emergency Response Network.** The CCC can deploy staff and corpsmembers to emergencies, who have a variety of specialized skills, provide a variety of services throughout any part of the State.

**Cost Effective Services to State Departments.** The CCC provides a cost-effective option for state departments to contract for services. Examples of these services include fire fuel load reduction and mitigation, levee repair, park maintenance, coastal fisheries protection, trail building, oil spill clean-up, energy conservation, and wildlife habitat restoration.

PRC Section 14300(i) mandates the CCC to assist departments within the California Resources Agency in developing, rehabilitating, and restoring parklands, recreational facilities, and historical resources; restoring salmon and steelhead spawning, nursery, and rearing habitat; restoring and

## Analysis of Problem

preserving wildlife habitat; and enhancing reforestation in both urban and rural areas. PRC Section 14315 requires that state agencies considering the use of contracted labor give priority to the CCC when our mission and the nature of the project are substantially consistent.

**Support of Governor's Resources Agency Action Plan.** The CCC provides a number of services that support the Governor's Resources Agency Action Plan. These services include removal of non-native species from California's creeks and rivers; trail construction and native tree planting to slow the threat of erosion in creeks and streams; restoration of wetlands throughout the state; and construction of in-stream structures to enhance salmon and steelhead fish habitat in coastal areas.

**Consequence of Denial.** CCC cannot absorb \$1.381 million within existing resources without severely jeopardizing other critical program areas.

### D. Justification

The minimum wage for corpsmembers was increased by one dollar per hour effective July 1, 2014, and by another dollar per hour effective January 1, 2016. Effective July 1, 2015, the CCC was approved additional expenditure authority to fund this cost increase via the 2015-16 Governor's Budget process. However, the 2016-17 proposed budget does not include the additional expenditure authority to address the full-year cost impact of the minimum wage increase starting July 1, 2016.

The \$1.381 million will fully fund the minimum wage increase for 1,477 FTE corpsmembers for FY 2016-17 and ongoing. In addition, the request includes a funding correction for an approved 2016-17 Budget Change Proposal for Butte Fire Center, in which an erroneous hourly rate was used. As a result, the \$1.381 million fund splits as follows: \$394,000 General Fund, \$494,000 Collins Dugan Reimbursement Account, \$396,000 State Responsibility Fire Area Protection Fund, and \$97,000 Proposition 39. Details are provided in the chart below:

Corpsmembers					
	Curent	Butte	TOTAL		
Count	1477	47	1524		
Hourly Wage	\$ 5,765,696	\$ 956,880	\$ 6,722,576		
Built in Gov's Budget	\$ 4,439,000	\$ 902,078	\$ 5,341,078		
<b>Incremental Need</b>	<b>\$ 1,326,696</b>	<b>\$ 54,802</b>	<b>\$ 1,381,498</b>		
Funding Split					
	General Fund	Collins Dugan	SRA	P39	TOTAL
Hourly Wage	\$3,654,469	\$2,179,256	\$500,051	\$388,800	\$6,722,576
Built in Gov's Budget	\$3,260,078	\$1,685,000	\$104,000	\$292,000	\$5,341,078
<b>Incremental Need</b>	<b>\$394,391</b>	<b>\$494,256</b>	<b>\$396,051</b>	<b>\$96,800</b>	<b>\$1,381,498</b>

Lastly, CCC is requesting a technical adjustment to CCC's General Fund appropriation. The one-time General Fund monies approved as part of the FY 2015-16 minimum wage funding were not removed from General Fund amounts in the 2016-17 Governor's Budget. This reduction is to correct that oversight.

## Analysis of Problem

### E. Outcomes and Accountability

CCC will be able to meet corpsmember payroll obligations without jeopardizing other critical program areas.

### F. Analysis of All Feasible Alternatives

**Alternative A:** Approve the proposal, as specified.

**Pros:**

- Funding for critical program areas will not be redirected/impacted.

**Cons:**

- Approval of this request will increase the General Fund funding obligations.

**Alternative B:** Status quo.

**Pros:**

- No impact to General Fund.
- No changes to the budget funding authority.

**Cons:**

- Redirection of \$1.381 million within existing resources will reduce funding to other program areas, significantly limiting CCC's ability to maintain its service levels.

### G. Implementation Plan

Starting July 1, 2016, the minimum wage increase will be permanently funded.

### H. Supplemental Information

N/A

### I. Recommendation

**Alternative A.** Approval of this proposal would provide funding necessary for CCC to maintain current service levels without significantly funding reduction in other program areas.

# BCP Fiscal Detail Sheet

BCP Title: Minimum Wage Funding Increase and Technical Adjustment to General Fund

DP Name: 3340-301-BCP-DP-2016-A1

## Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5340 - Consulting and Professional Services - External	0	-1,119	1,381	1,381	1,381	1,381
<b>Total Operating Expenses and Equipment</b>	<b>\$0</b>	<b>\$-1,119</b>	<b>\$1,381</b>	<b>\$1,381</b>	<b>\$1,381</b>	<b>\$1,381</b>
<b>Total Budget Request</b>	<b>\$0</b>	<b>\$-1,119</b>	<b>\$1,381</b>	<b>\$1,381</b>	<b>\$1,381</b>	<b>\$1,381</b>

## Fund Summary

Fund Source - State Operations						
0001 - General Fund	0	-2,106	394	394	394	394
0318 - Collins-Dugan Calif Conservation Corps Reimbursement Acct	0	494	494	494	494	494
3063 - State Responsibility Area Fire Prevention Fund	0	396	396	396	396	396
8080 - Clean Energy Job Creation Fund	0	97	97	97	97	97
<b>Total State Operations Expenditures</b>	<b>\$0</b>	<b>\$-1,119</b>	<b>\$1,381</b>	<b>\$1,381</b>	<b>\$1,381</b>	<b>\$1,381</b>
<b>Total All Funds</b>	<b>\$0</b>	<b>\$-1,119</b>	<b>\$1,381</b>	<b>\$1,381</b>	<b>\$1,381</b>	<b>\$1,381</b>

## Program Summary

Program Funding						
2360010 - Training and Work Program--Base and Fire Centers	0	-1,119	1,381	1,381	1,381	1,381
<b>Total All Programs</b>	<b>\$0</b>	<b>\$-1,119</b>	<b>\$1,381</b>	<b>\$1,381</b>	<b>\$1,381</b>	<b>\$1,381</b>